

Message Text

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11

ACTION EA-14

INFO OCT-01 EUR-25 ADP-00 EB-11 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03 H-03

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 PA-03 PRS-01 USIA-15 AGR-20 RSR-01 /194 W

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R 150720Z AUG 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6037

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMCONSUL HONG KONG

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJ: JAPAN'S BALANCE OF PAYMENTS IN JULY-- PROVISIONAL

SUMMARY: PRELIMINARY OVERALL PAYMENTS POSITION RECORDED

DEFICIT OF \$660 MIL IN JULY AS AGAINST DEFICIT OF \$959 MIL

IN JUNE. CURRENT ACCOUNT IN JULY HOWEVER SHOWS SURPLUS

BOTH SEASONALLY ADJUSTED AND UNADJUSTED. ON UNADJUSTED

BASIS, CURRENT ACCOUNT REGISTERED SURPLUS OF \$270 MIL,

INCLUDING TRADE SURPLUS OF \$550 MIL ALONG WITH SERVICE

AND TRANSFER DEFICIT OF \$280 MIL. JUNE DEFICIT ALSO

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REFLECTS CONTINUED HEAVY OUTFLOWS OF LONG-TERM CAPITAL

(NEARLY TWICE LEVEL OF OUTFLOW IN JUNE), AS WELL AS SMALL SHORT-TERM CAPITAL INFLOW. ON SEASONALLY ADJUSTED BASIS, CURRENT ACCOUNT SURPLUS AT \$141 MIL, INCLUDING TRADE SURPLUS OF \$421 MIL. OVERALL BALANCE HAS NOW BEEN IN DEFICIT FOR FIVE CONSECUTIVE MONTHS, BUT IN JULY IT WAS ONLY ABOUT HALF AS LARGE AS IN APR OR MAY. THIS DUE IN LARGE PART TO TERMINATION NET OUTFLOWS OF SHORT-TERM NONMONETARY CAPITAL AND ERRORS AND OMISSIONS COMBINED. DEFICIT ON BASIC BALANCE IN JULY REMAINED LARGE AT \$720 MIL, AND WAS NOT MUCH DIFFERENT FROM SIZE OF MAR OR JUNE DEFICITS. OUTFLOWS OF LONG-TERM CAPITAL REACHED NEW HIGH RECORD OF NEARY \$1 BIL IN JULY BUT WAS PARTLY MATCHED BY LARGER TRADE SURPLUS (PARTLY SEASONAL). ON SEASONALLY ADJUSTED BASIS, MERCHANDISE EXPORTS CONTINUED ON UPWARD TREND; ON OTHER HAND IMPORTS DECLINED, SO THAT TRADE BALANCE FOR MONTH OF \$421 MIL ONLY SLIGHTLY BELOW MONTHLY AVERAGE OF \$437 MIL DURING JAN-JUNE.

1. SEASONALLY ADJUSTED EXPORTS IMF BASIS OF \$3,066 MIL, UP 5.0 PERCENT FROM JUNE WITH IMPORTS OF \$2,645 MIL, DOWN 3.8 PERCENT FROM JUNE. TRADE BALANCE \$421 MIL IN JULY VERSUS \$171 MIL IN JUNE. SEASONALLY ADJUSTED CURRENT ACCOUNT SURPLUS \$141 MIL IN JULY VERSUS DEFICIT \$179 MIL IN JUNE.

2. PROVISIONAL UNADJUSTED DATA JAPAN'S BALANCE OF PAYMENTS IN JULY IN MIL DOLLARS (JULY 72 DATA IN PAREN): OVERALL BALANCE MINUS 660 (PLUS 402); EXPORTS 3,250 (UP 35.2 PERCENT FROM 2,403); IMPORTS F.O.B. 2,700 (UP 90.5 PERCENT FROM 1,417); SERVICES AND TRANSFERS COMBINED MINUS 280 (MINUS 234); LONG-TERM CAPITAL MINUS 990 (MINUS 486); SHORT-TERM NONMONETARY CAPITAL AND ERRORS AND OMISSIONS PLUS 60 (PLUS 136). RATE OF EXCHANGE USED FOR JULY WAS YEN264.46 PER DOLLAR AND FOR JUNE YEN264.70 PER DOLLAR.

3. PUBLISHED OFFICIAL RESERVES DOWN \$42 MIL IN JULY TO \$15,158 MIL. GOLD AND FOREIGN EXCHANGE TOTALED \$13,983 MIL, GOLD TRANCHE \$662 MIL, AND SDR'S \$513 MIL.

4. PRELIMINARY CUSTOMS DATA FIGURES ARE ALSO PRESENTED AS USUAL IN DOLLARS. HOWEVER, RATE OF EXCHANGE USED FOR JULY 73 WAS YEN264.34 PER DOLLAR FOR EXPORTS AND YEN264.47 FOR UNCLASSIFIED

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IMPORTS. PRELIMINARY CUSTOMS DATA SHOW GLOBAL EXPORTS \$3,312 MIL (YEN875,371 MIL) UP 35.3 PERCENT AND IMPORTS \$3,267 MIL (YEN863,962 MIL) UP 84.5 PERCENT FROM YEAR AGO. TOTAL EXPORTS TO U.S. IN MIL DOLLARS 862.1, UP 6.6 PERCENT FROM JULY 72. IMPORTS FROM U.S. 762.0, UP 73.6 PERCENT.

5. BY SPECIAL CLASIFICATION: GLOBAL IMPORTS OF AGRICULTURAL GOODS UP 101.0 PERCENT FROM JULY 72, CONSUMER

NONDURABLES UP 204.6 PERCENT, CONSUMER DURABLES UP 75.0 PERCENT, INDUSTRIAL SUPPLIES UP 82.1 PERCENT, AND CAPITAL EQUIPMENT UP 58.9 PERCENT. IMPORTS OF IRON ORE AND STEEL SCRAP UP 27.0 PERCENT AND 444.4 PERCENT RESPECTIVELY; IMPORTS OF COAL AND CRUDE OIL UP 43.3 PERCENT AND 63.6 PERCENT RESPECTIVELY; IMPORTS OF SOYBEANS UP 118.9 PERCENT; IMPORTS OF LUMBER UP 80.1 PERCENT.

6. CUSTOMS EXPORTS TO U.S.: TV'S UP 8.1 PERCENT FROM JUL 72, RADIOS DOWN 3.0 PERCENT, TAPE RECORDERS DOWN 11.0 PERCENT, OPTICAL INSTRUMENTS UP 24.4 PERCENT. IRON AND STEEL DOWN 22.8 PERCENT, SYNTHETIC TEXTILES UP 11.4 PERCENT, CLOTHING DOWN 9.9 PERCENT, CHEMICALS DOWN 16.4 PERCENT, COTTON FABRICS DOWN 61.0 PERCENT, FOODSTUFFS DOWN 26.1 PERCENT, FISH AND SHELL FISH DOWN 29.6 PERCENT. EXPORTS OF OFFICE EQUIPMENT UP 89.0 PERCENT AND THOSE OF METAL PRODUCTS UP 21.6 PERCENT.

7. CUSTOMS IMPORTS FROM U.S.: TOTAL FOODS UP 136.1 PERCENT FROM JULY 72, BEEF UP 176.3 PERCENT, FISH AND SHELLFISH UP 322.7 PERCENT, SOYBEANS UP 80.9 PERCENT, FEED CORN UP 122.3 PERCENT, SORGHUM UP 287.7 PERCENT, WHEAT UP 135.0 PERCENT RAW COTTON UP 267.1 PERCENT. LUMBER WAS DOWN 36.8 PERCENT, OFFICE EQUIPMENT UP 134.3 PERCENT, AIRCRAFT DOWN 15.2 PERCENT, TOYS AND INDOOR GAMES DOWN 85.7 PERCENT. THOSE OF METAL MATERIALS WERE UP 201.7 PERCENT, CHEMICALS UP 90.1 PERCENT AND NONFERROUS METALS UP 335.4 PERCENT. SHOESMITH

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